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## **Employer Participation in Active Labour Market Policy: from Reactive Gatekeepers to Proactive Strategic Partners**

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### **Abstract**

Active labour market policy (ALMP) is a well-established strategy but one aspect is greatly neglected – employer participation – about which there is a lack of systematic evidence. The question of why and how employers participate in ALMP, and whether there may be some shift from employers solely being passive recipients of job-ready candidates to having a more proactive and strategic role, is addressed by drawing on new research into Talent Match, a contemporary UK employability programme which places particular emphasis on employer involvement. The research findings point to a conceptual distinction between employers' roles as being reactive gatekeepers to jobs and/or being proactive strategic partners, with both evident. It is argued that the Talent Match programme demonstrates potential to benefit employers, jobseekers and programme providers, with devolution of policy to the local level a possible way forward. The conclusion, however, is that the barrier to wider replication is not necessarily a problem of practice but of centralised control of policy and in particular, commitment to a supply-side approach. Empirical, conceptual and policy contributions are made to this under-researched topic.

### **Introduction**

Active Labour Market Policy (ALMP), meaning welfare-to-work and other employability-related programmes and initiatives, is a topic of ongoing social policy interest. A recent contribution in *JSP* is Jordan's (2018) examination of political, academic and cultural debates around the ethical basis, and practical operation, of ALMP. Jordan challenges one-dimensional criticisms of ALMP, arguing for a more

complex and nuanced picture, with positive and negative elements of ALMP existing simultaneously. In a largely critical literature, the argument is that there are positive elements to ALMP deserving of attention and development. As McCollum (2012) contends, there is potential for a 'win-win-win' situation as employers get employees that are work-ready and supported in work, jobseekers are matched to and given appropriate training for existing vacancies and service providers get their clients into jobs.

Another argument made in *JSP* (Ingold and Stuart, 2015) is a neglected dimension of ALMP, but one with potential for significant impact warranting attention and development, is employer participation. In short, employers are gatekeepers to jobs and therefore important to the success of ALMP but the dominance of the supply-side approach to ALMP – Peck and Theodore (2000: 729) have called UK policy 'supply-side fundamentalism' – means employers are treated as passive recipients of job-ready candidates and little consideration is given to their position (Ingold and Stuart, 2015). Bredgaard (2018: 365) concludes that 'there is a lack of systematic evidence about why and how employers participate in active labour market policy'. The lack of attention given to the demand-side is also noted by Froyland *et al.* (forthcoming) who, in examining the integration of disabled people in the labour market, argue that consideration needs to extend beyond supply-side measures.

Bredgaard (2018: 375) contends that a better understanding of the preferences and behaviour of employers 'is an important precondition for more effective and targeted ALMP programmes and interventions', but current UK policy remains wedded to a supply-side approach. In 2017 the Work Programme (WP), the flagship ALMP since 2010, was replaced by the Work and Health Programme (WHP). The WHP continues to be based on the well-established model of programme delivery by service providers awarded contracts from government and the use of payment by results. The WHP does include one potential strategic shift, which is that some aspects will be devolved to local areas. How great the degree of devolution will be in practice remains to be seen but – in principle and to some extent at least – it marks a break with the overwhelming national control that has been a feature of ALMP to date. This is in line with the direction of deal making and passing some greater responsibilities to selected local areas (National Audit Office, 2016) and there have been specific calls for devolution of ALMP (Finn, 2015). This is an important point in relation to the empirical study presented here and will be returned to below. But, in terms of employer participation in ALMP, there is no indication of the WHP meaning a new approach; UK policy continues to be focused on the supply-side.

Despite the neglect of demand-side considerations, the reality is that employers are important to the success of ALMP. As Devins and Hogarth (2005) argue, employer behaviour is a significant issue in relation to the recruitment of unemployed people. Some attempts have been made to broaden the concept of employability to emphasise the centrality of employers (McQuaid and Lindsay, 2005; Adam *et al.*, 2017). McCollum (2012) argues there has been a shift towards getting employers 'on board' in the design and delivery of employability programmes, particularly within the context of emphasis on sustainability of transitions from welfare into work. It has also been argued (Ingold and Stuart, 2015) that payment by results in the WP and WHP has meant greater emphasis on employer participation as contractors/programme

providers need to engage with employers in order to obtain the sustained job outcomes on which their performance is measured and payments made. The suggestion, as discussed in detail below, is that there may be some shift in employers from being passive recipients of job-ready candidates to having a more proactive and strategic role in ALMP.

In the light of the above the question addressed in this article is why and how employers engage in ALMP, and whether there is evidence of a move from a passive to a more proactive and strategic role. Recognising the lack of relevant research, the question is addressed through a new empirical study. The subject of the study is Talent Match, a contemporary employability programme for young people in England which seeks to put employer participation centre-stage. Talent Match is one of the larger and wider-ranging initiatives that tend to feature as case studies in this area of research so an evaluation of the initiative is, in itself, significant for the field. It provides a rich case study with views from different stakeholder perspectives. The article is in four parts. First is a detailed examination of the literature and previous research on employer participation in ALMP, so grounding the research question. Second, the research on which the paper draws is discussed along with the research methodology. Third, research findings are presented with a particular distinction drawn between a conceptual understanding of employers' roles as being reactive gatekeepers to jobs and/or being proactive strategic partners in ALMP. Fourth is a discussion of the implications of the research findings for ALMP including how adopting the TM approach more widely presents a challenge to the current direction of UK ALMP, but with a potential way forward being through devolution. Thus, the article makes empirical, conceptual and policy contributions to this under-researched topic.

## **ALMP and employer participation**

There is an extensive literature on ALMP. Topics studied range from ALMP in cities (Adam *et al.*, 2017) to public attitudes on ALMP (Fossati, 2018) and from ALMP as re-commodification of labour (Greer, 2016) to activation regimes and the well-being of unemployed people (Carter and Whitworth, 2017). Bredgaard (2018) notes that different models of ALMP are available e.g. matching (bringing together jobseekers and employers' demand for labour) and demand-side approaches (focusing on employers), but supply-side approaches dominate.

A supply-side approach means ALMP is based on activation measures that seek to increase employment levels among the unemployed, focusing primarily on individual characteristics and responsibilities, largely in isolation from wider labour market factors (Gore, 2005; Grover, 2009). The needs and wants of employers in terms of labour demand is assumed, underpinned by an ideology that jobs are available if only the jobless could be persuaded to take them (Ingold and Stuart, 2015 - drawing on Grover, 2009). Employer behaviour is therefore not a substantive consideration within ALMP, but the reality that employers are important to the success of such programmes has led to what Bredgaard (2018) calls a small but growing literature on why and how employers participate.<sup>1</sup>

Ingold and Stuart (2015) argue that there are two 'faces' of employer participation: employer involvement with ALMP and programme providers' engagement with

employers. The argument is that policy reports tend to consider 'employer engagement' as meaning employer involvement with a government policy, programme or agency. This emphasises one face of employer engagement: the actions of employers. However, this underplays another important face: the activities undertaken by programme providers to engage employers.

There have been some attempts at providing typologies or frameworks for understanding employer participation in ALMP. There are some overlaps between the categories of employers identified in different typologies. For example, Snape (1998) proposes a four-fold typology of employers ranked in order of their disposition to recruiting unemployed people. The group most disposed to recruitment of the unemployed consist of 'socially motivated organisations' – including not for profit organisations driven as much by social as commercial considerations. A second group comprise 'commercially motivated but socially responsible organisations' which believe that hiring the right person for the job is not incompatible with recruiting unemployed people. This could be seen as complementing a Corporate Social Responsibility (CSR) agenda.<sup>2</sup> The third group are 'purely commercially motivated organisations' which tend to view unemployed people as a risk and hesitate to recruit them. The fourth category includes employers where context and resources preclude recruitment of unemployed people because of business difficulties and lack of recruitment generally. Bredgaard (2018), in a study of Danish employers, also identifies a typology based on four categories: the committed employer, the dismissive employer, the sceptical employer and the passive employer. Van der Aa and van Berkel's (2014) study of employers involved in ALMP in two Dutch cities again identified four groups of employers, motivated respectively by: hiring new workers; lowering costs; enacting social responsibility; or a mix of these motivations.

With regard to *how* employers engage with ALMP, McGurk's (2014) UK study points to three elements. These are: new facility resourcing (i.e. finding staff for new establishments); decentralised externalisation (primarily meaning small business units within large companies e.g. local branches of retail chains, having an ongoing need to fill low-paid temporary jobs with variable hours to meet short-term, localised staffing needs); and mid-range internalisation (e.g. companies with smaller store units and/or regional chains who are less likely than the largest national retailers to rely upon highly-developed and centralised online recruitment systems. They are interested in ALMP as a cheap source of local labour in order to staff a significant part of their core workforce). But these are all really sub-divisions of one role employers can have in relation to ALMP i.e. engaging with providers to fill vacancies. McGurk also highlights a potential additional employer motivation: sourcing staff from among the local customer base can be strategically valuable in terms of customer service.

Reflecting on the literature, van der Aa and van Berkel (2014) provide a helpful framework for empirical investigation which covers the passive and potentially more proactive and strategic elements of employer participation. This framework consists of seeing employers as either clients or co-producers and the idea of ALMP as involving either demand-led or demand-oriented approaches. 'Demand-led' means policies that predominantly aim to adapt services to existing employer demands, treating employers as consumers or clients of these policies and services. A 'demand-orientated' approach means employers being a partner in, or co-producer of, the

implementation of local activation policy. In this role employers are not only serviced as clients, by programme providers, but play a more active role themselves in the design and implementation of policies. Van der Aa and van Berkel cite an example of this from their study as being active participation of employers in the selection of unemployed workers, such as by participating in meetings aimed at providing information to the unemployed and by holding personal interviews with potential candidates. In this article a specific conceptual distinction is developed between employers' roles being 'reactive gatekeepers' to jobs and/or 'strategic partners' shaping ALMP.

As already noted, however, there remains a lack of empirical evidence on employer participation in ALMP. As McGurk (2014: 1) notes: 'there is a dearth of research specifically devoted to the demand side, that is into the experience of employers and what motivates them to engage'. Van der Aa and van Berkel's (2014) study is one of the larger empirical investigations but is non-UK. UK studies that have been discussed are often small-scale. For example, McGurk's (2014) work is based on summary data from internal documentation of welfare-to-work organisations and interviews with employer engagement managers in twelve such organisations. Snape (1998) used telephone interviews with forty employers (and her work is now twenty years old). The dearth of research relates not to one or two particular elements of employer participation in ALMP but to the topic as a whole. To repeat Bredgaard's (2018) conclusion, there is a lack of systematic evidence in relation to the question of why and how employers participate in ALMP with this including whether there is evidence of a shift from a passive to more proactive and strategic roles. Hence the presentation of new research to address this gap.

## **The research**

The empirical evidence presented here is a new analysis of data drawn from the evaluation of an employability programme with particular emphasis on employer participation. Before discussing methodology, contextual information about the programme is presented.

### *The employability programme: Talent Match*

The programme studied is Talent Match (TM), a Big Lottery Fund strategic employability initiative. The Big Lottery is a non-departmental public body responsible for distributing funds raised by the National Lottery to organisations in the UK to improve their communities. TM is therefore a non-government programme. TM was launched in 2014 for a five-year term with an investment of £108 million. The overall aim is to develop holistic approaches to combating worklessness amongst young people who are long-term NEET (not in education, employment or training).<sup>3</sup> TM has an overarching aim of moving over 29,000 young people closer to the labour market and over 8,100 (28 per cent) of these into secure, sustainable employment or self-employment.

TM operates through 21 local TM partnerships. The geographical level matches Local Enterprise Partnership (LEP) areas in England. LEPs are city-region partnerships between local authorities and businesses and play a central role in deciding local

economic priorities and creating local jobs. When TM was planned, working at this city-region level was relatively new but was considered appropriate given the growing importance of LEPs to economic development, employment and skills agendas. There are 39 LEPs in England, meaning TM operates in slightly over half of LEP areas. To be clear, TM is a separate initiative from LEPs and each TM partnership has its own, separate, board. However, given the relatively limited number of relevant actors at city-region level, TM benefited from existing relationships developed through LEPs.

There is a common structure for all 21 TM partnerships. Each has a lead organisation, which originally made the bid to the Big Lottery for funding. Reflecting Big Lottery criteria, all lead organisations are voluntary sector groups. These include national voluntary and community sector (VCS) organisations, local infrastructure organisations (e.g. councils for voluntary service), local specialist VCS organisations and consortia-based organisations. Each TM partnership has a board consisting of the lead organisation, strategic partners (including employers), a range of delivery partners commissioned to provide services to young people and some young people themselves.

This model of sub-national governance marks TM as different to UK government ALMP, which is highly centralised, and this is of particular relevance in emphasising the importance of sub-national strategic partnerships in the context of devolution. TM has some other innovative features. For example, TM takes a person-centred approach including involvement of young people in the co-production of design and delivery activities and their participation on TM partnership boards. TM has a 'test and learn' philosophy which enables local partnerships to abandon approaches which are not working and to implement alternatives. This contrasts with the more rigid contractual basis of many programmes and payment-by-results models.

For the purposes of this article what is critical is the involvement of employers. From the outset the Big Lottery Fund placed strong emphasis on employer participation within the local partnerships. This was expressed as an overall aim rather than a specific target i.e. there was no requirement that partnerships must include a set number of employers. It has been for each TM partnership to determine its own approach and in practice there has been variation in terms of the scale and nature of employer participation. Rather than thinking of employers as a single group a more nuanced approach is appropriate. Some TM partnerships sought to engage individual employers (especially larger employers where an individual with a dedicated HR function could more easily find time to be involved than in the case of a smaller employer), while others sought employer engagement via Chambers of Commerce, through organisations such as Business in the Community or through long established networks of lead organisations (such as the Prince's Trust). Once established, some TM partnerships set targets for various elements of employer engagement. Examples include number of employers engaged over the life of the TM programme and the number involved in programme delivery, such as providing work placements, training delivery, mentoring and job openings.

TM has been the subject of broad-based evaluations which focus on process and impact, and which also provide more detail about the 21 local TM partnerships (e.g.

Powell and Wells, 2015). Some consideration has been given to employer participation (Green *et al.*, 2015) but for this article:

- a new analysis of data has been undertaken;
- the research is located in academic debate as discussed above;
- a conceptual theme of employers as reactive gatekeepers and proactive strategic partners is identified; and
- the implications of findings for ALMP generally, are posited.

Thus, the article goes beyond a programme evaluation approach and makes new empirical, conceptual and policy contributions.

### *Methodology*

To enable a more in-depth investigation of employer participation in TM, the research presented here is based on case studies of four TM partnerships. The four were selected purposively to ensure a range of experience of employer participation, different TM partnership sizes (in terms of funding and staffing capacity) and a variety of lead organisations.

The four selected are: one very large urban partnership; one larger and one smaller than average partnership in mixed urban/rural areas; and one very small urban partnership. The lead organisation in one is a national VCS body with considerable experience as a welfare-to-work provider, at national level. Another is a national VCS charitable organisation with previous experience of delivering specialist employability initiatives in the local area covered by the TM partnership in question. The other two are both local voluntary sector umbrella infrastructure organisations but with one being large and well-established and the other smaller and newer. The larger of the two has wide experience of employer engagement and delivery of local employability initiatives while the latter had no previous experience of employer engagement. Two case study partnerships had invested in specialist in-house employer engagement officers/teams. Another was able to tap into national and regional level expertise of the TM host organisation. The fourth relied on generalist in-house staff and volunteers.

Reflecting the local/micro-level of the topic studied, the research was qualitative. Thirty-two interviewees took part including a mix of TM Partnership Leads (i.e. individuals employed as full-time managers of local TM partnerships with strategic and operational responsibilities for delivering the local business plan), the staff with specific responsibility for employer engagement, employers and young people who had gained employment/work experience via TM. Thirty interviews were conducted face-to-face and two by telephone. A semi-structured interview guide was used to elicit information about experience of working on employer engagement prior to TM, and with regard to TM about the rationale for, and experience of, employer engagement (from TM staff, employer and participant perspectives). Building on intelligence gained from previous rounds of formative evaluation with local TM partnerships, initial interviews were undertaken with the Partnership Leads and employer engagement staff. Then, on the basis of the approaches and activities that they outlined, a purposive approach was taken to constructing the sample of employers and linked participants (i.e. young people associated with particular employers via work experience, job placements, participation alongside employers on TM Boards, etc.), with emphasis placed on



seeking interviewees best able to reflect on key aspects of the programme and provide a diversity of perspectives. Care was taken to include employers of different sizes and from a range of sectors where TM local partnerships had built links. This allows for some observations to be made relating to size and sectors but, given this is qualitative work, no further conclusions are drawn around such dimensions. That would require further quantitative research.

Interviews were recorded with the consent of the individual concerned and transcribed. Confidentiality was an important issue for many interviewees so an approach of not attributing quotations to individuals is adopted other than a broad descriptor of their role in relation to the employability programme.

Data were analysed using a framework approach (Ritchie and Spencer, 1994). Following familiarisation with the interview content, preliminary codes were developed relating to core themes discussed in this article e.g. employers as proactive strategic partners, employers as reactive gatekeepers and motivation for participation in TM. This was initially done by using key words in the semi-structured interview guides. This deductive approach to coding was then supplemented in subsequent iterations by introducing further codes arising from an inductive approach focusing on key issues raised by interviewees. This was accompanied by ongoing comparison and discussion among the researchers, generating further sub-sets of themes. Cases were examined both across functional groups (i.e. across Partnership Leads, employers, etc.) and in linked groups (i.e. a participant, their employer and a TM staff member). The analysis therefore evolved from categorising data to interpretation, and from development of themes to identification of key findings.

There is always an issue as to the generalisability of qualitative research. What is important here is the richness of information and insights beyond broader survey approaches. It is the depth of the data from a range of perspectives that provides an illustration of issues that can inform broader debate.

## **Research findings: employer participation in Talent Match**

It was noted above that van der Aa and van Berkel's (2014) idea of employers as clients or co-producers and ALMP as involving demand-led or demand-oriented approaches provides a useful framework for empirical investigation. The research findings presented here suggest a similar distinction but one which, when framed from the perspective of employers, can be expressed more explicitly as employers being: *proactive strategic partners* in ALMP and/or *reactive gatekeepers* of jobs and other ALMP relevant opportunities such as work experience.

Being a proactive strategic partner refers to employers or employers' organisations being part of the design, implementation and operation of TM. Being a reactive gatekeeper is about employers responding to contacts made by providers aimed at raising companies' awareness of programmes and seeking to persuade employers to engage with activities such as offering work placements and/or making jobs available to programme participants. The two are not mutually exclusive. The same employer could, and in TM sometimes did, perform both but the roles themselves are distinct. Given the important question of not just why and how employers engage in ALMP but

whether there is evidence of a shift from employers being passive to having a more proactive and strategic role, the latter is considered first.

### *Employers as proactive strategic partners in TM*

The research found evidence of employers taking a proactive strategic role within TM. There are four ways in which employers are involved in TM case study partnerships. First is direct involvement in core partnerships. This means being at the heart of TM, making strategic decisions affecting the direction and planning of TM partnership activities in the round. Second, employer involvement can be through membership of an employer forum/sub-group, still meaning strategic involvement but on a more specific topic/theme. Third, there was direct involvement in delivery 'Hub' activity including providing strategic and operational advice at a neighbourhood level. Fourth, there was more arms-length involvement in TM partnership activities e.g. providing advice on specific issues, including those of concern to employers, and on how best to engage employers, etc. Across the TM partnerships studied there was clear evidence of employers having involvement in all four of these different ways, with some individual employers involved in more than one.

These different ways of being involved are illustrated in the following quotations from employers. The first is from an employer who is a member of the TM Board at the partnership led by a large local voluntary sector umbrella organisation with previous experience of engaging in employability programmes. This is employer involvement at the strategic heart of TM. It is a greater degree of participation than even seen in van der Aa and van Berkel's (2014) identification of employers as co-producers in a demand-oriented approach and involving employer participation in ALMP implementation. This employer's perspective was as follows.

*There's quite a few of us [employers] involved with it and we all attend the steering group [board], big organisations such as ourselves, and some other alliances, cooperatives and private sector, the fact that they're all at the steering groups and attend regularly and offer opportunities for young people I think is testimony that it works and having that transparency and that engagement from employers I think gives the young people, who also sit on the steering group, but also are participants in the programme, the confidence that it isn't just another programme being run by Work Programme and JCP [Jobcentre Plus – the public employment service], it's something that's going to enable them to progress and get some benefit out of it.*

This second example is from an employer in a TM partnership led by a national VCS body who was unlikely to recruit the kind of young people participating in TM, but still became involved, as a co-producer in implementation.

*For our company we're highly scientific and 30 per cent of our staff in the UK have a PhD so in terms of getting people in that would fit and have a long-term role here through Talent Match is fairly limited really so I felt I wanted to still add something and still help, so although we couldn't possibly offer long-term positions, so I said about doing workshops on CVs, how to*

*interview, what to expect from a job, so [TM Partnership Manager] and I developed a workshop from there.*

The way employer participation at strategy level helped shape TM was explained by the Partnership Lead in terms of bringing business realism to TM partnerships.

*[employer involvement] brings an edge of realism...quite often we have a lot of people [on partnership boards] from county councils, district councils and the voluntary sector and in some respects they're quite far removed from whatever business who have to make money and turn out as many whatever it is or sell as many whatever it is to make a profit and their focus is the profit, the bottom line. (Partnership Lead)*

This was reinforced by another interviewee from a TM partnership with a dedicated employer engagement team:

*It's only from those businesses [centrally involved] that we can really direct the project in the right way, they have a lot of useful information to give to us as to how we can steer the project and they know what they're looking for in young people so they can give us good tips on how we should be training our young people, what areas we should be focusing on more and also they know their particular sectors [and what is important for them]. (TM Employer Engagement Officer)*

In terms of the balance between employer participation as proactive strategic partners and reactive gatekeepers, however, it was still the latter that was more evident. This may partly reflect the profile of the interviewees and their immediate concerns i.e. getting people into jobs, but it does perhaps suggest the reactive role is the more dominant, as discussed next.

### *Employers as reactive gatekeepers*

The reactive gatekeeper role is about employers' position relating to contact made by providers. Employers are therefore being reactive rather than proactive or, as in van der Aa and van Berkel's (2014) approach, this is the demand-led element of ALMP in which policies predominantly aim to adapt services to existing employer demands, treating employers as clients of these policies and services. As noted already, the payment-by-results structure of the WP and WHP – plus judgement of success of other programmes on numbers of unemployed people helped into employment – means increasing competition amongst providers for employers' attention and engagement.

Efforts to engage employers, in their role as gatekeepers, were highly extensive in TM. They were undertaken in three different ways: first, TM lead partner responsibility – sometimes through a direct employer/business engagement officer or team; secondly, delivery partner responsibility – with delivery partners, often with different prior experiences of employer engagement, having prime responsibility; and thirdly a mix of core and delivery partner responsibility – sometimes with the core partner taking responsibility for raising employer awareness of TM and delivery partners engaging employers to match the preferences of TM participants to particular types of jobs.

The offers made to employers by the employability programme delivery providers were often extensive. Not only were employers offered job-ready candidates but sometimes bespoke training relevant to a specific job could be organised and funded by the delivery partners – either through TM project funding directed solely at TM beneficiaries, or through non-TM programmes with a wider beneficiary base with which the host organisation or delivery partner was concerned. Via such programmes, TM beneficiaries could gain sectorally- or occupationally-specific training and/or work placements. In a favourable comparison with other ALMPs, TM also offered more information about candidates and some in-work support: One employer explained how he saw taking on staff via Jobcentre Plus as being ‘high risk cos I don’t know what I’m getting’ whereas:

*[the TM] opportunity seemed very low risk...I get a background, a CV, they know all their candidates, they know their background, they’re really upfront and honest about their background so if there is any[thing to be aware of] I know about it upfront at interviews which [avoids] a waste of everybody’s time.*

Interestingly, some evidence was found of employers moving from a wholly reactive role to becoming more proactive, but still within the gatekeeper role. This relates to McGurk’s (2014) identification, as discussed above, of employer involvement in ALMP through new facility resourcing, decentralised externalisation and mid-range internalisation. An example of new facility resourcing was a number of vacancies being set aside for TM participants at a supermarket that was opening. There were a few examples where, as a relationship with an employer developed, the employer would contact the provider with information about upcoming vacancies as this retail manager who had a good personal relationship with the manager at the small TM partnership explained.

*[I’ve] kept in contact with [TM Partnership Manager], when I’ve had opportunities I’ve let [TM Partnership Manager] know.*

This perhaps fits best with the decentralised externalisation category in which employers are interested in ALMP as a means of meeting an ongoing localised need to fill low-paid temporary jobs with variable hours. There were also examples of mid-range internalisation – in part motivated by a desire for the workforce to reflect the local footprint.

One example that illustrates these points, from the TM partnership led by a national VCS charitable organisation with previous experience of delivering specialist employability initiatives, is a company providing stewarding, traffic management and security for large events (football matches, music concerts, etc.). The company requires a very flexible supply of labour available in sufficient numbers to cover specific times but otherwise not required. The company works with TM and a Sector-Based Work Academy at a local college, which provides a six-week programme of sector-specific pre-employment training, a work-experience placement and a guaranteed job interview for unemployed people, with an emphasis on customer service skills. TM participants who pursue this option receive training, a qualification and can get

employment with the company (but on zero-hours contracts). The company's role is as a gatekeeper to jobs but it undertakes this not in a reactive way but as a proactive co-producer with TM.

A final point regarding the reactive gatekeeper role is that, while the examples above show TM providers valuing employers' involvement at strategic level, they (providers) also saw one element of success as being what in effect was the expansion of the gatekeeper role. Employers, as partners in TM, helped raise awareness of the programme and enabled providers to connect with employers and employer networks with which they had not previously been in contact. This enabled providers to access more work and job related opportunities – often referred to by providers as (previously) 'hidden vacancies'. The gatekeeper role, from the perspective of providers, remained important.

### *Employers' motives for participation in TM*

As discussed above, employers can have different reasons for participation in ALMP but, in the empirical evidence here, two were dominant: TM as a source of labour; and CSR. The company that provides stewarding and other services for large events is a clear example of an employer whose motive for engaging with TM is its demand for labour.

Other examples involved companies which had a vacancy and for different reasons wanted to recruit an unemployed person, each something of a bespoke situation. For example, the director of a new start up business explained their rationale for engagement with TM as follows.

*We prefer if we can to employ people who don't have a current job, purely because we're a start up and start ups can either be fantastic or they can fizzle and burn out...if someone's unemployed then you're giving them an opportunity, they can grow with the company, so it's a mind-set thing with us I suppose.*

However, it was CSR – or what smaller employers tended to refer to as 'local community spirit' – that was found to be a key motivation for employers both in relation to being proactive partners in ALMP and reactive gatekeepers. Unlike WP, payment by results is not a primary driver of TM activity and this was a pull factor for employers. The TM ethos of finding local opportunities for local young people was appealing in relation to CSR and additionally tied with the aim of some employers to have their workforce better represent the local demography (and customer base). This fits with a dimension of McGurk's (2014) mid-range internalisation categorisation of employer participation.

A very clear example of CSR as the reason why an employer got involved in TM was provided by a store manager, part of a large national retailer with numerous branches across the country.

*We've got a massive corporate and social responsibility [policy]... it is definitely part of my performance in that I'm not just measured on what I do in my store, I'm measured on what I do outside of my store as well.*

A second example was provided by a different employer who explained:

*I think [participation in TM] it's a good thing to do. It's got to be win-win cos you've got to get something out of it, at the end of the day you're getting a pair of hands, labour, enthusiasm, that's the goal, but then you're trying to put something back into somebody and grow them as a person, business should have a conscience of some form.*

The case study evidence suggests that a committed individual (with support from their employing organisation) lies at the heart of some of the most time-intensive employer involvement with TM. As one employer put it:

*There's a lot of good people [within the company]; people have got personal lives behind them and they may well identify and think I'd like to help somebody.*

Another employer explained:

*We do have a corporate social responsibility but the managing director here is very passionate about the community and about supporting local businesses, local charity... having the links to the community, so he's filtered that down.*

Two additional points emerged strongly from the case study evidence. The first was about the practicalities of employer participation and the amount of time required for employer involvement and the consequences thereof – in particular, relating to the size of companies that became involved. It was certainly felt by interviewees that only a few (mainly large) employers had time to be involved in a core partnership, or to have strategic involvement in TM in some other way, as outlined above. The potential time commitment of intensive employer involvement was noted as a barrier by a small employer who, in principle, would have liked greater involvement with TM: 'it's that dilemma of [we] really like to help out but at the same time if it adds a huge work burden it becomes problematic'. There is, therefore, a major question as to whether employer involvement is actually limited to small numbers of (mainly) large companies.

The second additional issue is one notable mainly by its absence: employer behaviour in relation to the recruitment of unemployed people. Despite arguments, as noted above, that this is a significant issue, the bottom line in TM remains an individualised approach to participants, seeking to address specific issues related to that person in order to move them into employment. One example was found of an employer having adapted their standard recruitment processes to consider TM young people but this was an exception. While it might be imagined that programme providers would wish as a matter of course to discuss with employers changes to recruitment practices to make them more relevant to programme participants, routinely this did not form part of the TM approach. The majority of interviewees were clear that while there was a

case for recruitment and selection processes to be demystified, recruitment norms and standards should be maintained. As one interviewee from a TM Partnership Lead organisation emphasised, the role of TM is in preparing young people for employment and to get them to a position where participants 'are eminently employable on their own merits', rather than to be seen as 'special cases' requiring different treatment.

### **Discussion: implications of the research findings**

The empirical evidence has shown why and how employers have been involved in TM with evidence of employers acting as reactive gatekeepers but also in proactive ways. The latter is sometimes still in relation to the gatekeeper role but examples have also been seen of employers as strategic partners at the core of TM partnerships. Employers have not simply been cast as passive recipients of job-ready candidates and there is clear evidence of employers engaged as per van der Aa and van Berkel's (2014) idea of being co-producers in ALMP implementation. Employer involvement in TM, however, goes a step further. The involvement at strategic level means employers become co-designers of policy. It was not certain at the start of TM that it would be possible to involve employers in this way nor retain employer participation over the duration of the initiative. But TM has demonstrated it is possible to do so.

At the same time, it is important not to overstate the case. The role of employers as gatekeepers to jobs remains important and CSR is still the dominant motivation rather than involvement in TM being about meeting a core business need for labour. While TM is not a solely supply-side initiative, neither is it a solely demand-side approach. Employer behaviour is not a key consideration within TM and the programme remains essentially focused on an individualised approach to participants. TM is best characterised, using Bredgaard's (2018) categorisation, as a matching approach – appropriate given its name i.e. *Talent Match*. However, the involvement of employers as proactive strategic partners does represent a significant step and there is some evidence of the potential win-win-win scenario referred to above, in which employers get employees that are work-ready and supported in work, jobseekers are matched to and given appropriate training for existing vacancies, and service providers get their clients into jobs.

Could the TM approach be adopted more widely? To do so would present a challenge to the current direction of UK ALMP. As noted above, the UK has a well-established approach in which programme providers win contracts from government and then seek to persuade employers to give jobs to programme participants. TM represents a different model and for it to become more widely replicated would require change to what have been long-standing norms in UK policy.

One potential way forward is through an issue mentioned at the start of this article and to which TM draws attention: devolution of ALMP. The importance of the local scale runs through the TM case studies and TM demonstrates how operating at a local level may aid development of employer participation. Employers and/or employer representative organisations may be already involved in sub-national networks and partnerships. Examples include LEPs, Chambers of Commerce and new Combined Authorities (see Pike *et al.*, 2017). City Deals/Devolution Deals add to a trajectory towards policy development at sub-national level with which a new model of employer

participation in ALMP would fit well. It has been seen that employers involved in TM welcomed the fact it was not a central government programme and different to Jobcentre Plus activity.

Devolution of ALMP would allow for development of locally appropriate strategies rather than the current one-size fits all approach of central government control. Space would be opened up to address some of the practical issues identified in the TM case studies e.g. how to involve small businesses, avoid undue time burdens on employers and seek to embed engagement within core business needs rather than being an additional activity primarily motivated by CSR.

## **Conclusion**

The article began with two arguments previously made in *JSP*; that there are positive elements to ALMP deserving of attention and development and that a neglected dimension of ALMP, which has potential for significant impact, is employer participation. The empirical evidence presented, shows it is perfectly feasible for employers to be involved in ALMP not merely as passive recipients of job-ready candidates but as proactive strategic partners. The TM approach demonstrates potential to benefit employers, jobseekers and programme providers and devolution of policy to the local level offers a possible way forward. It is also notable that the TM approach was viewed more positively than JCP and central government programmes.

The fundamental conclusion to drive home is essentially a simple one. TM shows at a practical level how ALMP could be developed to increase employer participation. Although increased employer participation takes resource and commitment on all sides, the barrier to wider replication is not necessarily a problem of practice but centralised control of policy and, in particular, commitment to a supply-side approach. In short, it is not solely a matter of feasibility but also one of ideology.

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## **Notes**

1. Interest in employer participation in ALMP is also evident from the slightly different perspective of human resource management. For example, van Berkel *et al.* (2017) in introducing a collection of articles on the topic, argue for a blending of social policy



and human resource management research to promote vulnerable groups' labour market participation. From that same perspective, Simms (2017) argues that policy makers need to acknowledge that employers are important actors within the ALMP context.

2. There is an extensive literature on CSR (for a helpful discussion see May *et al.*, 2005). For the purposes of this paper it is used in the sense of companies seeking to contribute to broader social aims beyond a basic profit motive, although CSR and business goals may be successfully aligned.

3. The focus in this article is employer participation in ALMP not the target group of the particular programme studied i.e. NEETs. For an overview regarding NEETs, see Sissons and Jones, (2012).

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